

CONFIDENTIAL

ECC. 103F

Rec'd ED

6/1/61

Lorne [signature]

25X1

January 3, 1960

TIMER, NO. 1, DEL. 1/1/61

25X1

Two copies of the final report on our recent timer project are on the way under separate cover.

This does not include the recent work by [redacted] on packaging the timing components in and around a modified Sodeco counter to fit a minimum size cylindrical shape, as required in the next phase. Incidentally, our bills for his time as a consultant have been returned unpaid by your financial office because we didn't have prior written approval (see copy of notice). You will recall that you assured me verbally this would be all right. Can you straighten it out for us? You may have to write us a letter approving the consultant and send a copy to the administrator.

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[redacted] has been working (part-time, at home) with a special counter provided by Sodeco with a 60,000 turn coil in anticipation of our ordering them in quantity. Their quotation was very reasonable but they need three months for delivery. We will place the order when we receive confirmation from you that our next contract is coming. We will also then ask Barty to join us as a full-time employee and submit a request for his clearance.

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Meanwhile we will be essentially idle in the timer field. The continuity of our lifetime tests on the timers described in the report ended late in November when we packed them for the move out to Westbury. We are just now setting up our electrical shop and beginning to unpack this equipment. Our Hot Lab should be back in operation soon and we hope to start turning out krypton batteries in time to have some of them aged and stable when we begin assembling timers again.

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Two other items: would you check with the security office how the clearance for [redacted] (our new bookkeeper) is *END OF TAIL.* coming along; and please send back the defective Sodeco counter I lent you--it has to be returned to the Signal Corps as part of the property *SENT* settlement of a previous contract. 25X1

I hope all is well with you and that you will get a chance to visit us in our new location soon.

Sincerely,

25X1

[redacted]
Director of Research

AB:md

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CONFIDENTIAL**NOTICE OF COSTS SUSPENDED AND/OR DISAPPROVED**PAGE **1** OF **1** PAGES

(Name and address of contractor)

CONTRACT NUMBER

DD-162, T-2-2

BUREAU VOUCHER NUMBER

16

NOTICE NUMBER

26-2

DATE OF NOTICE

12/16/60

1. This notice constitutes advice of costs suspended and/or disapproved incident to the audit of the above referenced voucher. Description of items and reasons for action are shown below.

2. Suspended costs, as referred to herein, are costs which, for the reasons shown below, appear questionable but on which final determination has not been made. Disapproved costs, as referred to herein, are costs which, for the reasons shown below, have been determined by the undersigned to be unallowable.

3. **DISAPPROVED COSTS - ARMY AND AIR FORCE CONTRACTS:** If you do not concur in the action taken herein, with respect to cost items disapproved under the Army or Air Force contract identified above, a period of not to exceed **30** (30) days from receipt of this notice by you will be allowed for the presentation of additional information or justification in support of such items. If additional information or justification is not received within the time prescribed, disapproval of the costs will be presumed to be concurred in by you.

4. **DISAPPROVED COSTS - NAVY CONTRACTS:** The administrative procedures established by the Department of the Navy require that all disputes concerning the allowability of costs, arising under a contract in respect to which the Office of the Comptroller, Department of the Navy, Contract Audit Division is responsible for the determination, acceptance, or allowance of costs, shall be decided by the Director, Contract Audit Division. Therefore, if you do not concur in the action taken by the Government Auditor with respect to any cost item disapproved in this notice and wish to appeal therefrom, you must appeal to the Director, Contract Audit Division, who will render a written decision on your appeal. In order to have any such appeal considered by the Director, your appeal must be in the form of a written statement setting forth the facts and contentions considered by you to be pertinent and must be filed by you with the office of the cognizant Government Auditor within sixty (60) days from the date you receive this notice. Your written statement will be incorporated in and made a part of an Appeal and Review Brief and should be prepared in accordance with appeal and review brief procedures established by the Department of the Navy. Information concerning these procedures may be obtained from the office of the cognizant Government Auditor. Failure on your part to file an appeal setting forth the facts and your contentions in regard thereto within the sixty (60) day period specified will result in your loss of the right to have such an appeal considered by the Director, Contract Audit Division.

| | | | |
|--|-------------------------|---------|-----------|
| GOVERNMENT AUDITOR | DATE 12/16/60 | ADDRESS | SIGNATURE |
| AIR FORCE (ADMINISTRATIVE) CONTRACTING OFFICER | DATE | ADDRESS | |

CONTRACTOR'S ACKNOWLEDGMENT OF RECEIPT (The contractor or his authorized representative should acknowledge receipt of this notice. One copy of the completed notice will be returned to the Government Auditor).

| | | |
|-----------------|---|-----------|
| DATE OF RECEIPT | TYPED NAME AND TITLE OF AUTHORIZED OFFICIAL | SIGNATURE |
|-----------------|---|-----------|

| ITEM NUMBER | DESCRIPTION OF ITEMS AND REASONS FOR ACTION | AMOUNT OF COSTS | | | | | | | |
|-------------|--|-----------------|-------------------|----------|---------------|------|--------------------------|-----------------|--|
| | | SUSPENDED | DISAPPROVED | | | | | | |
| | <p>COSTS CLAIMED AS DIRECT MATERIAL - CONSULTANTS FEE ARE SUSPENDED FOR ARTICLE 13 (F) OF THE BASIC CONTRACT AS AN ITEM OF COSTS REQUIRING PRIOR WRITTEN APPROVAL OF THE CONTRACTING OFFICER.</p> <p>STATUS OF INVOICE</p> <table> <tr> <td>BILLED</td> <td>\$1,332.20</td> </tr> <tr> <td>DEDUCTED</td> <td>291.20</td> </tr> <tr> <td>PAID</td> <td><u>\$1,041.00</u></td> </tr> </table> | BILLED | \$1,332.20 | DEDUCTED | 291.20 | PAID | <u>\$1,041.00</u> | \$221.22 | |
| BILLED | \$1,332.20 | | | | | | | | |
| DEDUCTED | 291.20 | | | | | | | | |
| PAID | <u>\$1,041.00</u> | | | | | | | | |

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DOUG MCKINNON/4/60